
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in PME Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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**(1) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an annual general meeting of PME Group Limited (the “Company”) to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 11 June 2014 at 11:00 a.m. is set out on pages 16 to 20 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk.

Whether or not you are able to attend the annual general meeting, you are requested to complete the accompanying form of proxy, in accordance with the instructions printed thereon and deposit the same at the head office and principal place of business of the Company at Room 2203, 22nd Floor, Kwan Chart Tower, 6 Tonnochy Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

* For identification purpose only

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“AGM”	the annual general meeting of the Company to be convened on 11 June 2014 and held to consider and, if thought fit, to approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate and the proposed re-election of retiring Directors
“Articles of Association”	the articles of association of the Company
“associate”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Company”	PME Group Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the issued share capital of the Company as at the date of granting the general mandate
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	25 April 2014, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

DEFINITIONS

“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company as at the date of granting the repurchase mandate
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



(incorporated in the Cayman Islands with limited liability)
(Stock Code: 379)

Executive Directors:

Mr. Wong Lik Ping (*Chairman*)
Ms. Yeung Sau Han Agnes (*CEO*)
Ms. Chan Shui Sheung Ivy
Mr. Lai Ka Fai
Mr. Wang Liang
Mr. Shi Chong
Mr. Feng Gang

Non-executive Director:

Mr. Cheng Kwok Woo

Independent Non-executive Directors:

Mr. Lam Kwok Hing Wilfred
Mr. Goh Choo Hwee
Mr. Ho Hin Yip
Mr. U Keng Tin

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place
of business:*

Room 2203, 22nd Floor
Kwan Chart Tower
6 Tonnochy Road, Wanchai
Hong Kong

30 April 2014

*To the Shareholders and, for information only,
the holders of share options of the Company*

Dear Sir or Madam,

**(1) PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND REPURCHASE SHARES;
(2) PROPOSED RE-ELECTION OF RETIRING DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

At the forthcoming AGM, resolutions will be proposed to seek the Shareholders' approval for, among other things; (i) the granting of the General Mandate and the Repurchase Mandate to the Directors; and (ii) the re-election of retiring Directors.

* For identification purpose only

LETTER FROM THE BOARD

The purpose of this circular is to provide you with information relating to the resolutions to be proposed at the AGM for the grant of the General Mandate and the Repurchase Mandate, the re-election of retiring Directors, and the notice of the AGM.

GENERAL MANDATE AND REPURCHASE MANDATE

At the AGM, the Directors propose to seek the approval of the Shareholders to grant to the Directors the General Mandate and the Repurchase Mandate.

GENERAL MANDATE

At the AGM, an ordinary resolution will be proposed that the Directors be given an unconditional general mandate to allot, issue and deal with additional Shares or securities convertible into Shares, options, warrants or similar rights to subscribe for any Shares (other than by way of rights or pursuant to a share option scheme for employees of the Company or Directors and/or any of its subsidiaries or pursuant to any scrip dividend scheme or similar arrangements providing for the allotment and issue of Shares in lieu of whole or part of the dividend on Shares in accordance with the Articles of Association or upon the exercise of rights of subscription or conversion under the terms of any securities or bonds convertible into Shares) or make or grant offers, agreements, options and warrants which might require the exercise of such power, of an aggregate nominal amount of up to 20% of the aggregate nominal amount of the issued Shares as at the date of granting the general mandate.

As at the Latest Practicable Date, the Company had an aggregate of 11,919,197,600 Shares in issue. Subject to the passing of the resolution for the approval of the General Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the General Mandate to allot, issue and deal with a maximum of 2,383,839,520 Shares.

REPURCHASE MANDATE

At the AGM, an ordinary resolution will also be proposed that the Directors be given an unconditional general mandate to repurchase Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, of an aggregate nominal amount of up to 10% of the aggregate nominal amount of the issued Shares as at the date of granting the repurchase mandate.

Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 1,191,919,760 Shares.

LETTER FROM THE BOARD

The General Mandate and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the General Mandate and the Repurchase Mandate up to (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, the Companies Law (Law 3 of 1961, as consolidated and revised) or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the General Mandate or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

RE-ELECTION OF RETIRING DIRECTORS

According to article 87(1) of the Articles of Association and the Corporate Governance Code and Corporate Governance Report (the “CG Code”) contained in Appendix 14 of the Listing Rules, every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

In accordance with article 87(1) of the Articles of Association and the CG Code, Ms. Chan Shui Sheung Ivy, Mr. Lai Ka Fai, Mr. Cheng Kwok Woo and Mr. Goh Choo Hwee shall retire from office by rotation at the AGM. Being eligible, Ms. Chan Shui Sheung Ivy and Mr. Lai Ka Fai will offer themselves for re-election as executive Directors, Mr. Cheng Kwok Woo will offer himself for re-election as a non-executive Director and Mr. Goh Choo Hwee will offer himself for re-election as an independent non-executive Director.

According to article 86(3) of the Articles of Association, all Directors appointed either to fill a casual vacancy or as an addition to the Board shall be subject to re-election by the Shareholders at the first general meeting after their appointment.

Mr. Feng Gang who was appointed as an executive Director on 1 November 2013, shall hold office only until the AGM in accordance with article 86(3) of the Articles of Association. Being eligible, Mr. Feng Gang will offer himself for re-election as an executive Director.

At the AGM, ordinary resolutions will be proposed to re-elect each of Ms. Chan Shui Sheung Ivy, Mr. Lai Ka Fai and Mr. Feng Gang as executive Directors, Mr. Cheng Kwok Woo as a non-executive Director and Mr. Goh Choo Hwee as an independent non-executive Director.

Particulars relating to each of Ms. Chan Shui Sheung Ivy, Mr. Lai Ka Fai, Mr. Feng Gang, Mr. Cheng Kwok Woo and Mr. Goh Choo Hwee are set out in Appendix II to this circular.

LETTER FROM THE BOARD

ELECTION OF DIRECTORS OTHER THAN RETIRING DIRECTORS

In accordance with Article 88 of the Articles of Association, no person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a Shareholder (other than the person to be proposed) of the intention to propose that person for election as a Director and notice signed by that person of his willingness to be elected shall have been given to the Company during the period commencing no earlier than the day after the despatch of the notice of the general meeting appointed for such election and ending no later than seven days prior to the date of such general meeting.

Accordingly, if a Shareholder wishes to nominate a person who has not been recommended by the Directors to stand for election as a Director at the AGM, notice of his intention to propose such person for election as a Director and the notice executed by the nominee of his willingness to be elected must be validly served at the head office of the Company in Hong Kong at Room 2203, 22nd Floor, Kwan Chart Tower, 6 Tonnochy Road, Wanchai, Hong Kong on or before 4 June 2014.

If a valid notice from a Shareholder to propose a person to stand for election as a Director at the AGM is received after the printing of this circular, the Company will issue a supplementary circular to inform the Shareholders of the details of the additional candidate proposed.

AGM

A notice convening the AGM to be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 11 June 2014 at 11:00 a.m. is set out on pages 16 to 20 of this circular. Ordinary resolutions will be proposed at the AGM to approve, among other things, the grant of the General Mandate and the Repurchase Mandate and the re-election of retiring Directors.

A form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published at the website of the Stock Exchange at www.hkexnews.hk. Whether or not you are able to attend the AGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same at the head office and principal place of business of the Company at Room 2203, 22nd Floor, Kwan Chart Tower, 6 Tonnochy Road, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers the proposed grant of the General Mandate and the Repurchase Mandate and the proposed re-election of retiring Directors are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

FURTHER INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board of
PME Group Limited
Wong Lik Ping
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling his/her/its securities to the Company.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 11,919,197,600 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 1,191,919,760 fully paid Shares, representing 10% of the issued share capital of the Company.

3. REASONS FOR THE REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under the Cayman Islands law and the memorandum and Articles of Association of the Company for such purpose.

An exercise of the Repurchase Mandate in full may have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 December 2013, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months immediately prior to the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2013		
April	0.445	0.325
May	0.365	0.248
June	0.275	0.215
July	0.246	0.190
August	0.250	0.200
September	0.330	0.224
October	0.335	0.245
November	0.350	0.265
December	0.430	0.280
2014		
January	0.430	0.270
February	0.315	0.270
March	0.300	0.250
April (up to the Latest Practicable Date)	0.295	0.255

6. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM and exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of the Cayman Islands.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders are interested in more than 10% of the Shares/underlying Shares then in issue:

Name of Shareholders	Notes	Number of Shares/underlying Shares held or short positions	Percentage holding	Percentage holding should Repurchase Mandate be exercised in full
Worldkin Development Limited	1	2,860,000,000(L)	23.99%	26.66%
		2,860,000,000(S)	23.99%	26.66%
Mr. Wong Lik Ping	2	3,326,000,000(L)	27.90%	31.01%
		2,860,000,000(S)	23.99%	26.66%
Yardley Finance Limited	3	2,860,000,000(L)	23.99%	26.66%
Mr. Chan Kin Sun	4	2,860,000,000(L)	23.99%	26.66%
Sino Life Insurance Co., Ltd.	5	2,169,430,000(L)	18.20%	20.22%
Profit Win International Limited	6	1,200,000,000(L)	10.07%	11.19%
Mr. Chen Hui	7	1,200,000,000(L)	10.07%	11.19%

L: Long Position

S: Short Position

Notes:

- Worldkin Development Limited is the beneficial owner of 2,860,000,000 Shares of the Company.
- Mr. Wong Lik Ping holds entire equity interests of Worldkin Development Limited and is accordingly deemed to have interests in 2,860,000,000 Shares of the Company that Worldkin Development Limited has interests in. Mr. Wong personally owns 466,000,000 Shares of the Company.
- Yardley Finance Limited has security interests in 2,860,000,000 Shares of the Company.
- Mr. Chan Kin Sun holds entire equity interests of Yardley Finance Limited and is accordingly deemed to have interests in 2,860,000,000 Shares of the Company that Yardley Finance Limited has interests in.
- Sino Life Insurance Co., Ltd. is the beneficial owner of 2,169,430,000 Shares of the Company.
- Profit Win International Limited is the beneficial owner of 1,200,000,000 Shares of the Company.
- Mr. Chen Hui holds entire equity interests of Profit Win International Limited and is accordingly deemed to have interests in 1,200,000,000 Shares of the Company that Profit Win International Limited has interests in.

As at the Latest Practicable Date, Mr. Wong Lik Ping and his associate held 3,326,000,000 Shares/underlying Shares, representing approximately 27.90% of the issued share capital of the Company. On the basis of the current shareholding of Mr. Wong Lik Ping and his associate and assuming that no further Shares are issued or repurchased prior to the AGM, an exercise of the Repurchase Mandate in full will result in the shareholdings of Mr. Wong Lik Ping and his associate increasing to approximately 31.01%, and becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise any of the Repurchase Mandate to such an extent that will result in a requirement of Mr. Wong Lik Ping and his associate, to make a mandatory offer under the Takeovers Code. Moreover, the Company would not repurchase Shares which would result in the amount of Shares held by the public being reduced to less than 25%.

7. SHARES REPURCHASE MADE BY THE COMPANY

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

**APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED AT THE AGM**

The details of the Directors who will retire from office at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:

(1) Ms. Chan Shui Sheung Ivy

Ms. Chan Shui Sheung Ivy, aged 49, is an executive Director of the Company. She joined the Group in May 2007 and is responsible for business development of the Group. She holds a Master degree of Business Administration from the University of South Australia. She has over 16 years of experience in investment. Ms. Chan is also a director of certain subsidiaries of the Company. She is also an executive director of Chinese Strategic Holdings Limited (stock code: 8089), which is listed on the Growth Enterprise Market of the Stock Exchange. She was an executive director of China Chuanglian Education Group Limited (stock code: 2371), which is listed on the Main Board of the Stock Exchange, during the period from 24 January 2008 to 26 May 2011. Save as disclosed above, Ms. Chan has not been a director in any other listed companies in the last three years. Further, she does not have any relationship with any other Directors, senior management of the Company, substantial Shareholders or controlling Shareholders.

Ms. Chan has no fixed term of service with the Company but will be subject to retirement by rotation and re-election in accordance with the Articles of Association. Ms. Chan is currently entitled to an annual emolument of HK\$260,000 which was determined by reference to her level of responsibilities, remuneration policy of the Company and the prevailing market conditions. As at the Latest Practicable Date, Ms. Chan has 550,000 Shares of the Company, representing approximately 0.0046% of the entire issued share capital of the Company. Save as disclosed above, Ms. Chan does not have, and is not deemed to have, any other interests or short positions in any shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO.

There is no information relating to Ms. Chan that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange.

(2) Mr. Lai Ka Fai

Mr. Lai Ka Fai, aged 45, is an executive Director and joint company secretary the Company. He joined the Group in June 2010 and is responsible for the corporate governance and port operation business of the Group. He holds a Bachelor degree in Laws from The Manchester Metropolitan University in the United Kingdom, a Postgraduate Certificate in Laws from The University of Hong Kong and a Master degree of Business Administration from the University of Leicester in the United Kingdom. He is a solicitor of the High Court of the Hong Kong Special Administrative Region and has over 10 years of experience in the legal field. He had been working in companies listed on the Stock Exchange as legal consultant and

company secretary and to assist the chairman and managing director in group management, strategic planning and market development. He currently holds directorship of certain subsidiaries of the Company and a director of Rizhao Lanshan Wansheng Harbour Company Limited (“Rizhao Lanshan”), a joint venture of the Company in the PRC. Save as disclosed above, Mr. Lai has not been a director in any other listed companies in the last three years. Further, Mr. Lai does not have any relationship with other Directors, senior management or substantial shareholders or controlling shareholders of the Company.

Mr. Lai has no fixed term of service with the Company but will be subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Lai is entitled to an annual remuneration of HK\$1,300,000 as determined by the Board with reference to his position, his level of responsibilities, remuneration policy of the Company and the prevailing market conditions. As at the Latest Practicable Date, Mr. Lai does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO.

There is no information relating to Mr. Lai that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange.

(3) Mr. Feng Gang

Mr. Feng Gang, aged 39, is an executive Director of the Company. He has joined Rizhao Lanshan since October 2004 and was appointed as an executive Director of the Company in November 2013. Mr. Feng holds a Master of Business Administration degree from Nankai University, a Bachelor degree in Polymer Materials from Tianjin University and a Training Certificate in Finance graduate course from Peking University. Mr. Feng has over 10 years of experience in port management, international trading and corporate strategy consulting. He had worked in a well-known consulting company as corporate strategy consultant and a large SOE as international trading supervisor. He is currently a general manager and a director of Rizhao Lanshan. Save as disclosed above, Mr. Feng has not been a director in any other listed companies in the last three years. Further, Mr. Feng does not have any relationship with other Directors, senior management or substantial shareholders or controlling shareholders of the Company.

Mr. Feng has no fixed term of service with the Company but will be subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Feng is currently entitled to a remuneration of HK\$80,000 per month for acting as an executive Director of the Company, which is determined by the Board with reference to his position, his level of responsibilities, remuneration policy of the Company and the prevailing market conditions. Mr. Feng is currently receiving a salary of RMB20,000 per month from Rizhao Lanshan for acting as a general manager and a director of Rizhao Lanshan. As at the Latest Practicable Date, Mr. Feng does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO.

**APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED AT THE AGM**

There is no information relating to Mr. Feng that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange.

(4) Mr. Cheng Kwok Woo

Mr. Cheng Kwok Woo, aged 57, joined the Group in 1990 and acted as Chairman and an executive Director of the Company since 2002 and was re-designated to a non-executive Director in August 2012. Mr. Cheng has over 25 years of experience in the trading and manufacturing of abrasive products. He is the brother of Mr. Cheng Kwong Cheong and Ms. Cheng Wai Ying. Mr. K.W. Cheng is also a director of certain subsidiaries of the Company and a director of a joint venture of the Company in the PRC. Save as disclosed above, Mr. K.W. Cheng has not been a director in any other listed companies in the last three years.

Mr. K.W. Cheng has entered into a service contract with the Company as a non-executive Director pursuant to which his term of appointment shall continue until 8 August 2014 and is subject to retirement by rotation and re-election in accordance with the Articles of Association. Based on his position, his level of responsibilities, remuneration policy of the Company and the prevailing market conditions, Mr. Cheng is currently entitled to an annual emolument of HK\$1,032,000 and a management bonus to be determined by the Board at its absolute discretion. As at the Latest Practicable Date, Mr. Cheng has personal interests of 8,000,000 Shares/underlying Shares, representing approximately 0.067% of the entire issued share capital of the Company. Save as disclosed above, Mr. Cheng does not have, and is not deemed to have, any other interests or short positions in any Shares, underlying Shares or debentures of the Company within the meaning of Part XV of the SFO.

There is no information relating to Mr. Cheng that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange.

(5) Mr. Goh Choo Hwee

Mr. Goh Choo Hwee, aged 43, was appointed as an independent non-executive Director in January 2012. He graduated from The University of Hong Kong with Postgraduate Certificate in Laws in 1995. Mr. Goh has become a member of The Law Society of Hong Kong and has been a practicing solicitor in Hong Kong since 1997. He is currently a partner at Ma Tang & Co., Solicitors, a law firm in Hong Kong. Mr. Goh has over 10 years of experience in PRC-related, corporate and securities practice. He is currently an independent non-executive director of Theme International Holdings Limited (stock code: 990) and Tsui Wah Holdings Limited (stock code: 1314), both companies listed on the Main Board of the Stock Exchange.

**APPENDIX II DETAILS OF RETIRING DIRECTORS PROPOSED
TO BE RE-ELECTED AT THE AGM**

He was appointed and remain as the company secretary of Xinhua News Media Holdings Limited (stock code: 309), a company listed on the Main Board of Stock Exchange, in December 2013. During the period from 5 December 2007 to 23 November 2011, Mr. Goh was an independent non-executive director of China Mining Resources Group Limited (stock code: 340), a company listed on the Main Board of the Stock Exchange. Save as disclosed above, Mr. Goh has not been a director in any other listed companies in the last three years. Further, Mr. Goh does not have any relationship with other Directors, senior management or substantial shareholders or controlling shareholders of the Company.

Mr. Goh has entered into a service contract with the Company pursuant to which his term of appointment shall continue until 17 January 2015 subject to retirement by rotation and re-election in accordance with the Articles of Association. Mr. Goh is currently entitled to an annual director's fee of HK\$180,000 which was determined by the Board with reference to his position, his level of responsibilities, remuneration policy of the Company and the prevailing market conditions. As at the Latest Practicable Date, Mr. Goh does not have, and is not deemed to have, any interests or short positions in any shares, underlying shares or debentures of the Company within the meaning of Part XV of the SFO.

There is no information relating to Mr. Goh that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders and the Stock Exchange.

The Board considers that Mr. Goh is independent as he has satisfied with the requirements for independence as set out in Rule 3.13 of the Listing Rules, and he will bring valuable contributions to the Board with his experience and professional qualifications.

NOTICE OF AGM



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (“AGM”) of PME Group Limited (the “Company”) will be held at Plaza 3, Lower Lobby, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong on Wednesday, 11 June 2014 at 11:00 a.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements and the reports of the directors and auditor for the year ended 31 December 2013.
2. (a) To re-elect Ms. Chan Shui Sheung Ivy as executive director;
(b) To re-elect Mr. Lai Ka Fai as executive director;
(c) To re-elect Mr. Feng Gang as executive director;
(d) To re-elect Mr. Cheng Kwok Woo as non-executive director;
(e) To re-elect Mr. Goh Choo Hwee as independent non-executive director; and
(f) To authorise the board of directors of the Company to fix the directors’ remuneration.
3. To re-appoint SHINEWING (HK) CPA Limited as the auditor of the Company and to authorise the board of directors of the Company to fix their remuneration.
4. To, as special business, consider and, if thought fit, passing the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, pursuant to the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares of the Company (the “Shares”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

* For identification purpose only

NOTICE OF AGM

- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and

 - (bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of the resolution no. 5),and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;

 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company, the Companies Law (Law 3 of 1961, as consolidated and revised) of the Cayman Islands (the “**Companies Law**”) or any other applicable law of Cayman Islands to be held; and

 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

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“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the directors of the Company to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. To, as special business, consider and, if thought fit, passing the following resolution as an ordinary resolution:

“**THAT:**

- (a) the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company, the Companies Law or any other applicable law of Cayman Islands to be held; and
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

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6. “**THAT** the directors of the Company be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 4 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

Yours faithfully,
For and on behalf of
the board of directors of
PME Group Limited
Wong Lik Ping
Chairman

Hong Kong, 30 April 2014

Registered office:

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Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Head office and principal place
of business:*

Room 2203, 22nd Floor
Kwan Chart Tower
6 Tonnochy Road, Wanchai
Hong Kong

NOTICE OF AGM

Notes:

1. A shareholder entitled to attend and vote at the AGM convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the Articles of Association of the Company, to vote on his/her behalf. A proxy need not be a shareholder of the Company but must be present in person at the AGM to represent the shareholder. If more than one proxy is so appointed, the appointment shall specify the number of Shares in respect of which each such proxy is so appointed.
2. A form of proxy for use at the AGM is enclosed. Such form of proxy is also published on the website of the Stock Exchange at www.hkexnews.hk. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, at the head office and principal place of business of the Company at Room 2203, 22nd Floor, Kwan Chart Tower, 6 Tonnochy Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of a form of proxy will not preclude a shareholder from attending in person and voting at the AGM or any adjournment thereof, should he/she so wish.
3. In the case of joint holders of Shares, any one of such holders may vote at the AGM, either personally or by proxy, in respect of such Shares as if he was solely entitled thereto, but if more than one of such joint holders are present at the AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such Shares shall alone be entitled to vote in respect thereof.
4. In relation to proposed resolution no. 2 above, Ms. Chan Shui Sheung Ivy, Mr. Lai Ka Fai, Mr. Feng Gang, Mr. Cheng Kwok Woo and Mr. Goh Choo Hwee will retire from their offices at the AGM pursuant to article 87(1) and article 86(3) of the Articles of Association of the Company and the Corporate Governance Code and Corporate Governance Report contained in Appendix 14 of the Listing Rules, and being eligible, will offer themselves for re-election at the AGM.
5. In relation to proposed resolutions nos. 4 and 6 above, approval is being sought from the shareholders of the Company for the grant to the directors of a general mandate to authorise the allotment and issue of Shares under the Listing Rules. The directors have no immediate plans to issue new Shares other than the Shares which may fall to be issued under the share option schemes of the Company or any scrip dividend scheme or similar arrangement providing for the allotment and issue of Shares in lieu of whole or part of a dividend which may be approved by shareholders of the Company.
6. In relation to proposed resolution no. 5 above, the directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders of the Company. An explanatory statement containing the information necessary to enable the shareholders of the Company to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to this circular.